

Remarks

Assignee respectfully requests reconsideration of the rejections in the first Office Action. All claims stand rejected as obvious under Section 103(a) over a single reference, U.S. Patent 4,992,940 to Dworkin. Assignee respectfully submits that the Office has credited Dworkin with teachings significantly greater than that reference actually teaches. In addition, the Office Action fails to detail sufficient motivations to have modified Dworkin by adding certain features of various claims admittedly absent from that reference. To ensure that assignee's response remains tied to the inventions as claimed, assignee discusses the claims separately.

DISTINCTIONS APPLICABLE TO ALL CLAIMS

1. Starting with claim 27, the Office Action asserts that Dworkin discloses all of the claimed invention except part (d) of the claim, which relates to "a second computer database."

The Office Action purports to find disclosure of the file server of part (a) of the claim in Dworkin's Figure 1 and column 1, lines 63-67 (sellers) and column 2, lines 1-5 (buyers). Assignee respectfully submits that Dworkin does not disclosed the file server as claimed. Claim 27, part (a) (also in independent claims 46 and 50) requires "a file server accessible through a generally available wide area network from ... buyers ... and ... sellers." Dworkin's CPU is accessible only through "terminals" that are in effect part of the computer system. See Dworkin, Fig. 1 and col. 4, lines 3-12. Although Dworkin states that the system's "terminals" may be remotely connected through modem and that there may be a large number of users, Dworkin's reference to "conventional manner" makes clear that he is speaking of a central CPU that is accessible through special terminals.

In contrast with Dworkin, where a user must have access to a terminal that Dworkin's CPU is programmed to recognize – in effect a terminal that is part of the computer system – in the claimed invention, the file server must be "accessible through a generally available wide area network," such as (in some claims) the Internet (see point

3 below). The claimed methods and apparatus provide substantial advantages as compared to a terminal-based system, especially in allowing organic growth of the electronic marketplace, without the need for the system administrator or the like to "place," or specially connect, computers of potential buyers and sellers. In claim 27, a potential buyer's standard personal computer can access the system, without undergoing any hardware modifications or special connections. Nowhere does the Office Action identify any motivation or suggestion, in Dworkin or elsewhere, to modify the reference for the purpose of achieving the advantages of assignee's system.

Where the Office has not identified any motivation and suggestion of advantages, a Section 103 rejection cannot stand. *See, e.g., In re Dembiczak*, 175 F.3d 994 (Fed. Cir. 1999) (reversing rejection because "the [PTO] did not make particular findings regarding the locus of the suggestion, teaching, or motivation to combine the prior art references"); *In re Kotzab*, 217 F.3d 1365, 1369 (Fed. Cir. 2000) ("Even when obviousness is based on a single prior art reference, there must be a showing of a suggestion or motivation to modify the teachings of that reference"); *In re Fritch*, 972 F.2d 1260, 1265 (Fed. Cir. 1992) (examiner can satisfy burden of obviousness "only by showing some objective teaching" leading to the modification); *In re Laskowski*, 871 F.2d 115, 117 (Fed. Cir. 1989) ("the mere fact that the prior art could be ... modified" to form a claimed structure "would not have made the modification obvious unless the prior art suggested the desirability of the modification") (numerous citations omitted); *In re Sernaker*, 702 F.2d 989, 995-96 (Fed. Cir. 1983) (reversing Board of Appeal disallowance of application because "prior art references in combination do not make an invention obvious unless something in the prior art references would suggest the advantage to be derived from combining their teachings").

The mere fact that each of the elements can be found in a reference and has previously known benefits does not provide the requisite "motivation" or "incentive" to modify the teachings of a reference. *E.g., Custom Accessories, Inc. v. Jeffrey-Allan Industries, Inc.*, 807 F.2d 955, 959 (Fed. Cir. 1986) ("That each element in a claimed

invention is old or unpatentable does not determine the nonobviousness of the claimed invention as a whole. There is no basis in law for treating combinations of old elements differently in determining patentability") (citation omitted).

Rather, the test for obviousness is based on what one skilled in the art would know *as of the time of the invention*, not what a specialist (such as the Examiner) can determine using the "20-20 hindsight" available from the years of development of the field since the invention date. *E.g., In re Dembiczak*, 175 F.3d 994 (Fed. Cir. 1999) ("Measuring a claimed invention against the standard established by section 103 requires the oft-difficult but critical step of casting the mind back to the time of invention, to consider the thinking of one of ordinary skill in the art, guided only by the prior art references and the then-accepted wisdom in the field," and "Our case law makes clear that the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references"); *In re Kotzab*, 217 F.3d 1365, 1369 (Fed. Cir. 2000) ("the very ease with which the invention can be understood may prompt one to fall victim to the insidious effect of a hindsight syndrome wherein that which only the invention taught is used against its teacher").

Finally, the burden of making the required showings is on the Examiner, not applicant. *E.g., In re Rouffet*, 149 F.3d 1350, 1359 (Fed. Cir. 1998) ("the [PTO] must identify specifically ... the reasons one of ordinary skill in the art would have been motivated to select the references and combine them").

For this reason, all claims should be in condition for allowance, independent of other reasons discussed below.

2. The above principles also should be kept in mind in reconsidering the Office Action's asserted justification for modifying Dworkin to overcome the admitted fact that "Dworkin does not explicitly teach a second computer database" in part (d) of the claim. Office Action, p. 3. Apparently, the Office Action credits Dworkin for some kind of

database storing purchase- and purchaser-related data, citing Dworkin col. 8, lines 9-37, but assumes that Dworkin merely omits disclosure of that database being a "second" one. The rejection proceeds to argue that the invention of claim 27 would have been obvious despite that omission because, "Having a second computer database to perform the claimed functions and as described by Dworkin would have been obvious to one of ordinary skill in the art in order to provide or assign different tasks to different computer subroutines or hardware so as to provide a much faster system." Assignee respectfully requests reconsideration of this purported rationale for extending Dworkin.

As an initial matter, Dworkin's discussion at column 8 makes clear that the central computer system merely prompts the buyer wishing to purchase an item of goods to enter certain data and uses that data to fill out a purchase order. Dworkin uses the computer, in essence, as a form-filling tool. Dworkin's computer collects the information and, "When the system has all the information needed to process the order, it prints the required documentation and prepares to have such documentation sent to the selected supplier. The printing step is done at the location of the central computer Instead of sending the order by mail, to the supplier, the system can also transmit the order electronically, such as by a conventional electronic mail arrangement." Dworkin, col. 8, lines 25-35.

Thus, Dworkin does not disclose or suggest any permanent or semi-permanent storage of the data entered by the user. Apparently, in Dworkin, once the system collects the necessary information, it merely transmits the data to the seller (by mail or email) and then *never saves* the information in *any* database. Thus, the assumption in the Office Action that Dworkin has "a computer database ... capable of automatically recording ... data in response to purchase orders ..." is inaccurate.

The purpose of assignee's "second computer database" in claim 27, further, is not, as the rejection suggests, simply to speed up processing of the same tasks performed by Dworkin. Indeed, speed of processing is not mentioned as an issue at all in either Dworkin's or assignee's specifications. Rather, in assignee's system, the second computer

database allows easy administration of multiplicity of purchases through the central computer, such as through updating "account balances" for the buyer and/or seller. *See, e.g., Spec., bottom left corner of Fig. 11.* Assignee's system renders unnecessary Dworkin's requirement of transmitting individual purchase orders to sellers, on a one-by-one basis. Instead, one can readily see, for example, that assignee's accounting system allows the central server operator to aggregate all purchases for a particular seller and send periodic payments or cumulative reports of all orders placed by multiple buyers through the system. Note, by the way, that this capacity dovetails with the "accessible through a generally available wide area network" limitation of part (a) – in that, if the system is accessible generally, having a database that stores the expected multiplicity of sales allows the system to grow organically, without the need, as in Dworkin, to transmit individual orders one at a time. Thus, assignee's system has significant advantages over the Dworkin system, which render the claimed invention non-obvious. The Office Action's purported motivation for modifying Dworkin does not recognize that Dworkin's system lacks *any* database and fails to explain why an ordinarily skilled artisan would have been motivated to add one.

This distinction over Dworkin applies equally to limitations that appear in the other independent claims, in claim 45 at element (e) and (e)(1), claim 46 at element (c), claim 50 at element (d), and claim 63, element (e)(1) and (f). All claims should be independently allowable for this reason too.

DISTINCTIONS APPLICABLE TO SELECTED CLAIMS

3. Dependent claims 39, 44, and 49 and independent claims 45 and 63 specify that the generally available wide area network is the Internet. The Internet is a special system that has protocols specially designed to allow *any* Internet-capable computer to access any server. As explained in point 1 above, the advantages achieved through a marketplace system allowing universal access without special equipment is nowhere discussed by Dworkin or suggested by the prior art to the ordinarily skilled artisan.

4. Dependent claims 28, 44, 48, 51, 62, and 64 further relate to another advantage facilitated by the database storage of purchase orders – namely, the ability of the system to generate a bill for a fee (such as fees paid for processing orders through the system) to the sellers whose products are sold on the system. Dworkin does not disclose or suggest such a function. The Office Action refers to column 8, lines 37-57 of Dworkin, but assignee is mystified at that citation. In that paragraph, Dworkin refers the capability of its system to automatically calculating a *shipping charge* for sending the purchased product to the buyer. That does not meet the claim language.

5. Dependent claims 29, 30, and 44 and independent claims 45 and 63 contain limitations referring to “special offers,” whereby a buyer can post a special offer to purchase a product, either to sellers generally (claims 29, 44, 45, 63) or to specified sellers (claim 30). Claims 45 and 63 further specify that the special offers, if accepted, are automatically recorded in the “third computer database” (paralleling the “second computer database” in point 2 above). The Office Action asserts that Dworkin discloses these features, referring to column 2, lines 41-48, which states: “Other features of the system allow the user to receive announcements about new products or services, to communicate complaints or suggestions to management or to a particular supplier, or to receive help in using the system. The user can also obtain detailed information about the requirements and policies of a particular vendor.” Assignee does not understand how the ability to communicate “complaints or suggestions” or questions has anything to do with the claim language allowing the buyer to “post *special offers to purchase*” product.

6. Dependent claim 33 refers to allowing the seller to “perform a mass upload to the file server of pricing data and product configuration data for all products of that potential seller.” Dependent claim 47 also refers to “a mass upload” of pricing and product configuration data. The Office Action concedes (page 4) that Dworkin does not teach such mass uploads, but it contends that “allowing the potential sellers to upload the data through the Internet to the computer storage at will would have been obvious to one

of ordinary skill in the art to do in the system of Dworkin with the motivation of storing all records for all transactions which may be used for conflict resolution purposes." Assignee does not understand what "conflict resolution" has to do with this, but assignee does not see anything in that suggested rationale, or in the prior art, that would motivate an ordinary artisan to allow a "mass upload" of all products' price and configuration data so that the system can allow updating of product information, as suggested by the instant application. Nothing in Dworkin or elsewhere, accordingly, appears to disclose or suggest such a mass upload system of posting product information to form an electronic marketplace without individualized posting, one by one, of specific products.

7. Dependent claim 34 refers to the central system being "capable of ranking the matching products by price and automatically transferring the ranking ... to ... the potential buyer who made the request." Related language appears in dependent claims 44, 54, 62, and 65. Reacting to this set of claim, the Office Action merely states, on page 4: "Dworkin discloses providing the lowest prices to the potential buyers." That comment is simply non-responsive to the claim language. Dworkin does not disclose transferred price-ordered lists of matching products. Indeed, if the Examiner would look at Fig. 6 of Dworkin, he would see an example where Dworkin's system transmits a report that is emphatically *not* rank ordered by price (it appears ordered alphabetically by manufacturer and then by model number). The Office Action wholly fails to explain where the prior art discloses or suggests any motivation to have added this feature to Dworkin or any combination of references that otherwise meets the claimed invention.

8. Dependent claims 35 and 55 refer to limiting matching products to those in a specified geographic region. The Office Action concedes at page 4 that Dworkin lacks teaching of this feature. However, the Office Action (mixing this limitation with ones found in other claims) contends that it "would have been obvious to do in the system of Dworkin in order to broaden the choices of the available of products [sic?] and related prices to users so that a user may obtain a product for a best or lowest available price."

Assignee, respectfully, does not understand how that comment has anything to do with geographic limitations. To the contrary of the assumed motivation of "broaden[ing] the choices," the purpose of a geographic limitation is to *limit* choices. The Office has not met its burden of demonstrating a motivation or suggestion in the prior art that would have caused an ordinarily skilled artisan to have added geographic constraints to Dworkin.

9. Dependent claims 36 and 56 refer to limiting matching products to those below a pre-specified price cap. The Office makes the same concession and asserted rationale for modification as for claims 35 and 55. Again, the purpose of the claimed invention is to limit choices, not to broaden them.

10. Dependent claims 37 and 57 refer to automatically finding the lowest-price matching product and transmitting information about it to the potential buyer. The Office Action asserts merely, "Dworkin discloses providing the lowest prices to the potential buyers." Page 4. However, Dworkin's discussion of that subject relates merely to providing a full list of the products (as in Dworkin's Fig. 4) to allow the user to pick out by eye the lowest price product, a kind of facilitation of comparison shopping. *See, e.g.,* Dworkin, col. 1, lines 55-57 ("... allows *the user* to determine the best price available for a product or service...") (emphasis added); col. 1, lines 63-65 (similar); col. 2, lines 54-56 (similar); col. 3, lines 51-53 ("The system thereby *enables the user to 'shop'* for products meeting the user's own minimum requirements, and having the best price ...") (emphasis added). The claimed invention in those claims has nothing to do with manual examination of price data.

11. Dependent claim 38 further adds a "network link between the file server and financial institutions" like a bank. The Office Action concedes at page 5 that Dworkin does not disclose this limitation but asserts it would have been obvious "to facilitate billing, accounting and the provision of credits to potential buyers." This proposed rationale does not follow. In Dworkin, as discussed above, the system merely generates an invoice for any purchase, including credit card information, prints an invoice, and transmits it *to the*

specific seller by mail or email. Col. 8, lines 9-38 (*see also* col. 9, lines 55-60 re: returned merchandise). At no point does Dworkin discuss, disclose, or suggest that the central computer system would bill the user or charge the credit card for the seller. To the contrary, the central system simply passes responsibility to the seller to collect the money and ship the goods. In view of that approach, why would an ordinarily artisan have been motivated to modify Dworkin to allow the central system to facilitate billing? It would have been inconsistent with Dworkin's concept to have made such a modification.

In view of the numerous features of the claimed inventions missing from Dworkin, assignee respectfully requests that the Examiner allow the claims of this application without modification. If the Examiner has any questions concerning the above matters, please contact assignee's undersigned attorney.

Respectfully submitted,

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